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LOS ANGELES COUNTY
CITIZENS ECONOMY AND EFFICIENCY COMMITTEE

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November 24, 1972

Honorable Board of Supervisors
383, Hall of Administration
Los Angeles, California 90012

Gentlemen:

CHIEF ADMINISTRATIVE OFFICER'S
RECOMMENDED CONSTRUCTION IMPROVEMENTS PROGRAM

At the meeting on Tuesday, November 14, 1972, your Board requested the Economy and Efficiency Commission to review the Chief Administrative Officer's comprehensive program for improvement of County capital construction programs. The Commission Task Force on County Construction Projects has completed this review and herewith submits its comments.

Consolidated Facilities Department

The Chief Administrative Officer's report agrees in major respects with our task force report on the management of construction projects which we submitted to your Board on October 3. The two reports both recommend the establishment of a consolidated Facilities Acquisition and Management Department and both agree completely as to the detailed structure of this organization. Both reports recommend that the new department should include a Project Management Division, the Architectural Division and appropriate portions of the Construction Division of the County Engineer, the Department of Real Estate

Management, and associated administrative service functions. The two reports also agree that this department may be expanded later into a General Services department to include other County service departments as may be appropriate.

Implementation Priorities

We believe that the most critical step in implementing the facilities improvement program is to select the head of the new department. It is extremely important that the director of the consolidated department have a leading role in its formation. He can be held accountable for the success of the improvement program, only if he is assigned at the outset the primary responsibility for the staffing and operation of the consolidated department.

The task force agrees with your Board that a target date should be set for formal establishment of the new department and agrees with the statement made during the Board discussion that on or around July 1, 1973, is a desired goal. However, the actual date will depend upon how soon enabling legislation to transfer the Architectural and Construction Divisions from the County Engineer to the new department can be obtained. In the interest of moving forward as rapidly as possible in the selection of the new department head, his appointment should be made to coincide as closely as possible with the operative date of enabling legislation. Accordingly, the County should make every effort to secure the required legislation as early as possible.

We therefore recommend that the County begin now to prepare the procedures and details for the selection process and conduct the examination at a suitable date. Once the enabling legislation is passed, the County can then immediately make the appointment of the director.

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We also recommend that the County take extreme care in establishing the necessary qualifications for the position. Certainly the criteria should include proven management capability at a top executive level and significant experience and expertise in either public or private construction administration. The excellent work that the Chief Administrative Office has done in detailing the functional responsibilities of the new department should provide a sound basis for development of accurate and relevant position specifications.

When Proposition E, which the Economy and Efficiency Commission sponsored, goes into effect later this year, the County will be required to fill positions at this level through open competitive examinations. Thus this examination will be open, as it should be, to all qualified applicants both inside and outside the County.

We should also emphasize the importance of assigning an adequate salary schedule for this position. Since the position will carry the primary responsibility for managing one of the County's most complex activities, the salary schedule should be comparable to that of other major department heads. We are convinced that the single most important factor which will determine the success or failure of the improvements program is the managerial capability of the individual selected for this position. Therefore the salary must be set at a level which will enable the County to compete for individuals with the highest qualifications and appropriate experience.

Staffing and Costs

In postponing action on the Chief Administrative Officer's report, your Board voiced concern over the proposed 26 additional positions which the CAO estimates will be required to staff this new program. We agree with your

Board, that additions to the total County payroll should be kept to a minimum. In this regard the CAO stated in his report that "Where the level of activity and improved operations permit, appropriate reductions will be made in existing staff." We recommend therefore that the CAO and the Personnel Director conduct a thorough search of County organizations for present employees who are qualified to fill these positions.

Nevertheless, we would caution that to strive for salary savings at the expense of managerial effectiveness would be false economy and would inevitably undermine and weaken the facilities improvement program. The findings in our report on the management of construction projects indicated clearly that the present capital construction program of the County is significantly undermanaged and understaffed in the project planning and management functions. The CAO's report recommends a total staffing level of 46 positions for these functions, 26 of which are additions to the present staffing level. With over \$100 million of construction projects presently in effect and taking future commitments into account, our analysis supports the CAO's finding that these additional positions are required to provide appropriate staffing for the new functions. As we have stated, many of these positions should be filled with present County employees and additions to the total County payroll should be avoided wherever possible.

Next in importance to the selection of the new department head is the staffing of the Project Management Division, particularly the chief and the top level project manager positions, with individuals who are thoroughly qualified to coordinate and direct all aspects of a construction project from beginning to end. It is our understanding that such individuals, with broad

governmental and industrial experience in all aspects of project management, may not be currently employed by the County in sufficient numbers to fill all these positions. Therefore, some of these positions may require an outside search and should be filled through open competitive examinations. We should emphasize that this should not preclude the consideration of qualified County personnel for these positions.

We estimated in our report that this program will reduce by one year the average time for the County to acquire a major facility. This will produce a savings of at least \$5 million annually. These savings will not be achieved without effective management of these new functions.

Interim Action

We unanimously support the Chief Administrative Officer's decision to assign to his own office the responsibility for developing the new project planning and management functions, pending formal establishment of the consolidated department. It is a common practice in private industry to assign a new function or product operation to the office of the president or chief executive of the firm. After it has been developed sufficiently under his supervision, the function is then assigned to its appropriate position in the organizational hierarchy. We therefore agree that it is practical and appropriate to assign the new project management functions to the CAO temporarily, pending establishment of the consolidated department. By this means they will receive the close attention and direction of the County's chief executive during the interim period.

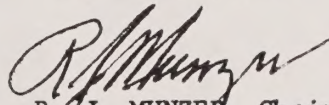
Recommendations

We recommend that the Board:

1. Order implementation of the Chief Administrative Officer's recommendations according to the plan outlined in his report of November 9.
2. Require that as many new positions as possible be filled without adding to the total County payroll.
3. Direct the Chief Administrative Officer and the County Counsel to proceed immediately with the steps necessary to obtain whatever enabling legislation is required to establish the new department as defined in the CAO's report.
4. Direct the Chief Administrative Officer, the Director of Personnel, and the Civil Service Commission to initiate immediately procedures, as outlined in this report, leading to the prompt appointment of the Director of the Consolidated Facilities Acquisition and Management Department. This action will enable him to participate fully in the formation of the new department.

As your Board requested, we will continue to make our task force available to assist the County in the implementation of these programs as approved by your Board.

Very truly yours,



R. J. MUNZER, Chairman
Construction Projects Task Force



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Continuation

We recommend that the Board:

1. Approve the recommendation of the Board of Trustees
to accept the recommendation of the Board of Trustees
to accept the recommendation of the Board of Trustees

2. Approve the recommendation of the Board of Trustees
to accept the recommendation of the Board of Trustees

3. Approve the recommendation of the Board of Trustees
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4. Approve the recommendation of the Board of Trustees
to accept the recommendation of the Board of Trustees
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5. Approve the recommendation of the Board of Trustees
to accept the recommendation of the Board of Trustees

6. Approve the recommendation of the Board of Trustees
to accept the recommendation of the Board of Trustees

Approved by the Board

Very truly yours,

President, University of California

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